

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
NORTHEAST WOODFORD COUNTY WATER	)	2016-00443
DISTRICT	)	

ORDER

On December 27, 2016, Northeast Woodford County Water District (“Northeast Woodford”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> In late 2015, Northeast Woodford’s wholesale supplier, Frankfort Electric & Water Plant Board (“Frankfort”), increased its wholesale rate from \$2.25 to \$2.35 per 1,000 gallons.<sup>2</sup> Northeast Woodford did not apply to the Commission at that time for a purchased water adjustment, but has instead now applied to reflect Frankfort’s wholesale rate increase from \$2.25 to \$2.45 per 1,000 gallons, to capture the full two years of pass-through increases. On January 21, 2017, Northeast Woodford requested approval for a deviation from 807 KAR 5:068, Section 1(5), in order to allow Northeast Woodford to capture the two years of pass-through increases in its supplier’s rate base.

The Commission, having reviewed the record and being sufficiently advised, finds that:

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> Case No. 2014-00254, *Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board*, Parties Joint Settlement Stipulation and Recommendation (Ky. PSC Oct. 12, 2014).

1. Northeast Woodford purchases water from Frankfort and the city of Versailles.

2. Frankfort notified Northeast Woodford that, effective November 1, 2016, Frankfort's wholesale rate to Northeast Woodford would increase to \$2.45 per 1,000 gallons.<sup>3</sup> Northeast Woodford proposes to increase the water rates to its customers effective January 1, 2017, to reflect the increased cost of purchased water.

3. Northeast Woodford proposes a purchased water adjustment factor of \$0.085 per 1,000 gallons.

4. During the 12 months ended November 30, 2016, Northeast Woodford purchased a total of 138,492,800 gallons of water; 55,311,000 gallons were purchased from Frankfort. During the same period, Northeast Woodford sold 130,250,000 gallons of water. The increase in the cost of purchased water is \$11,062.20, resulting in a purchased water adjustment factor of \$0.09 per 1,000 gallons.

5. The purchased water adjustment factor proposed by Northeast Woodford is denied. The purchased water adjustment factor of \$0.09 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. Northeast Woodford's proposed rates are denied.

7. The rates in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Northeast Woodford on and after January 1, 2017.

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<sup>3</sup> *Id.*

8. Northeast Woodford's request for a deviation from 807 KAR 5:068, Section 1(5), to allow for two years of pass-through increases in its supplier's rate base should be granted.

IT IS THEREFORE ORDERED that:

1. Northeast Woodford's request for a deviation from 807 KAR 5:068, Section 1(5), is granted.

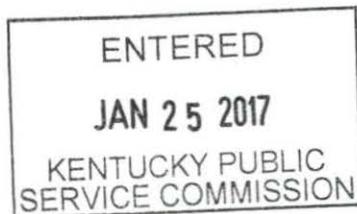
2. The purchased water adjustment factor of \$0.09 per 1,000 gallons is approved.

3. Northeast Woodford's proposed rates are denied.

4. The rates in Appendix B to this Order are approved for water service rendered by Northeast Woodford on and after January 1, 2017.

5. Within 20 days of the date of this Order, Northeast Woodford shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00443 DATED **JAN 25 2017**

	New Rate	Base Rate
Frankfort		
Purchases in gallons	55,311,000	55,311,000
Volumetric rate	<u>\$2.45/1,000</u>	<u>\$2.25/1,000</u>
	\$135,511.95	\$124,449.75
Versailles		
Purchases in gallons	83,181,800	83,181,800
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>

Increased water cost                      \$11,062.20

Increased water cost	\$ 11,062.20
Divided by gallons sold/1,000	<u>130,250,000</u>
Purchased water adjustment factor	\$ 0.849
or	\$ 0.09 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00443 DATED **JAN 25 2017**

The following rates and charges are prescribed for the customers in the area served by Northeast Woodford County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Rates

5/8- X 3/4-Inch Meter

First	2,000 Gallons	\$12.84	Minimum Bill
Next	2,000 Gallons	4.21	per 1,000 Gallons
Next	6,000 Gallons	3.92	per 1,000 Gallons
Over	10,000 Gallons	3.70	per 1,000 Gallons

2-Inch Meter

First	20,000 Gallons	\$81.78	Minimum Bill
Over	20,000 Gallons	3.70	per 1,000 Gallons

\*Northeast Woodford County Water District  
225A South Main Street  
Versailles, KY 40383

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